

Message Text

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TO USMISSION NATO PRIORITY
INFO AMEMBASSY BUDAPEST

C O N F I D E N T I A L STATE 265527

E.O. 11652: GDS

TAGS: PFOR, NATO, CSCE, HU

SUBJECT: US CONTRIBUTION TO NATO RECORD KEEPING ON WARSAW
PACT CSCE IMPLEMENTATION

REF: A) STATE 231043; B) BUDAPEST 3547

1. FOLLOWING IS EMBASSY BUDAPEST'S CHECKLIST (REF B)
SUITABLY EDITED FOR USE IN NATO RECORD KEEPING EFFORT ON
WARSAW PACT CSCE IMPLEMENTATION. YOU MAY PASS CHECKLIST
TO INTERNATIONAL STAFF.

2. WORKING CONDITIONS FOR U.S. BUSINESSMEN:

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A. CONDITIONS HAVE IMPROVED FOR EXPANSION OF BUSINESS
CONTACTS, PARTLY AS A RESULT OF SERIES OF HIGH-LEVEL
VISITS FROM U.S. OFFICIALS. IN ABSENCE OF MFN, HOWEVER,
ACCESS OF AMERICAN BUSINESSMEN RESTRICTED SOMEWHAT TO

FOREIGN TRADING FIRMS WHICH OFTEN TAKE POLITICAL FACTORS INTO ACCOUNT WHEN MAKING BUSINESS DECISIONS. DIRECT DEALING WITH END-USERS OF IMPORTED GOODS AND TECHNOLOGY IS RARE. NEVERTHELESS, IN CERTAIN CATEGORIES OF INDUSTRY, DESPITE LACK OF MFN TREATMENT FOR HUNGARY, THERE IS GREAT INTEREST IN U.S. TECHNOLOGY AND MANAGERIAL KNOW-HOW. HOWEVER, HUNGARY'S ALMOST CRITICAL SHORTAGE OF HARD

CURRENCY ACTS AS A DETERRENT TO MANY ENTERPRISES WISHING TO DO BUSINESS WITH U.S. FIRMS. TOTAL US-HUNGARIAN TRADE IN 1974 REACHED DOLS 131.58 MILLION COMPARED TO DOLS 49 MILLION IN 1973. HOWEVER, DOLS 54 MILLION OF 1974 TOTAL REPRESENTS ONE-TIME DEAL INVOLVING TRADE IN GOLD COINS.

B. PAN AM AND IBM HAVE ACTUALLY ESTABLISHED OFFICES IN HUNGARY; BUT DOW CHEMICAL AND FIRST NATIONAL CITY BANK OF NEW YORK ARE IN PROCESS OF NEGOTIATING FOR ESTABLISHMENT OF PERMANENT OFFICES. GENUINE ACUTE SHORTAGE OF ADEQUATE HOUSING AND OFFICE SPACE IN BUDAPEST, WHICH AFFLICTS HUNGARIANS AND FOREIGNERS ALIKE, POSES REAL AND GROWING PROBLEM FOR GOH; BUT LEADERSHIP HAS NOT YET MADE POLICY DECISION TO DEVOTE MORE RESOURCES TO FACILITATE OPERATIONS BY FOREIGN FIRMS AND TO PROVIDE ADEQUATE ACCOMMODATIONS FOR FOREIGN REPRESENTATIVES OF THESE FIRMS.

C. ENDEMIC SHORTAGE OF FIRST-CLASS HOTEL ACCOMMODATIONS IN BUDAPEST WILL PERSIST, EVEN AFTER OPENING OF HILTON (324 ROOMS) IN LATE 1976. GIVEN BUDAPEST'S GEOGRAPHICAL POSITION, ITS PROXIMITY TO BRIGHT LIGHTS OF VIENNA AND SEEMINGLY INSOLUBLE SHORTAGE OF OFFICE AND HOUSING SPACE IN BUDAPEST, WE BELIEVE MOST AMERICAN BUSINESSMEN WILL OPT FOR OPERATING OUT OF VIENNA. COMMUNICATIONS FROM VIENNA TO BUDAPEST ARE GOOD BY EAST EUROPEAN STANDARDS AND ARE GRADUALLY IMPROVING; AND HOME OFFICES OF MOST U.S. FIRMS WILL PROBABLY ALSO JUDGE THAT THEY CAN AVOID CONFIDENTIAL

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HASSLES WITH PETTY-MINDED COMMUNIST BUREAUCRATS BY BASING THEIR OPERATIONS IN VIENNA. SENIOR EXECUTIVES FROM FRG, AUSTRIAN AND ITALIAN FIRMS (AND MANY FROM U.S. MULTINATIONALS BASED IN FRG AND FRANCE) EMPLOY "EXECUTIVE JET" TRAVEL FOR ONE- AND TWO-DAY BUSINESS TRIPS.

D. MOST ECONOMIC AND COMMERICAL INFORMATION, INCLUDING DIRECTORIES, LISTS OF FOREIGN TRADE OFFICIALS, FOREIGN TRADE LAWS AND REGULATIONS ARE AVAILABLE IN HUNGARIAN; A GREAT DEAL OF THIS MATERIAL IS AVAILABLE IN GERMAN, AND A LESSER AMOUNT IN ENGLISH. SELECTED ECONOMIC AND TRADE PROJECTIONS ARE PROVIDED THROUGH PUBLICATION OF FIVE-YEAR PLANS. DETAILED INFORMATION NEEDED BY MANY WESTERN

FIRMS, HOWEVER, IS FREQUENTLY NOT AVAILABLE. ORGANIZATION CHARTS ARE NOT PUBLISHED.

". IN 1975 NUMBER OF COOPERATIVE ARRANGEMENTS WITH U.S. FIRMS (33-34) REMAINED ABOUT SAME AS IN 1974. NUMBER OF NEGOTIATIONS ARE UNDER WAY WITH MAJOR AMERICAN COMPANIES

(IBM, CORNING, GENERAL MOTORS, ET. AL.).

3. FAMILY MEETINGS AND REUNIFICATION:

A. FROM MAY 1, 1975, 3,284 HUNGARIANS WERE PERMITTED TO VISIT WITH THEIR FAMILIES IN U.S.

B. FIFTY-FIVE PERSONS WERE ALLOWED TO EMIGRATE TO U.S. TO JOIN FAMILIES.

C. DISTINCTION IS MADE BETWEEN PASSPORTS AND EXIT PERMITS FOR TRAVEL TO NON-COMMUNIST COUNTRIES ON ONE HAND AND TO COMMUNIST COUNTRIES ON OTHER HAND. PASSPORT FOR ONE EXIT PERMIT TO WESTERN COUNTRIES COSTS FT 600 (DOLS 30) AND ADDITIONAL EXIT PERMIT COSTS FT 300-600 (DOLS 15-30). PASSPORT FOR VISIT TO WARSAW PACT COUNTRIES COSTS FT 100 (DOLS 5) AND IS VALID FOR FIVE EXITS AT NO ADDITIONAL CHARGE.

D. PERSONS APPLYING TO VISIT OR JOIN FAMILIES IN NON-SOCIALIST COUNTRIES DO NOT REPEAT NOT INCUR PENALTIES BY CONFIDENTIAL

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DOING SO UNLESS THEY OCCUPY IMPORTANT OR SENSITIVE POSITIONS.

E. THERE HAS BEEN NO CHANGE IN RECENT YEARS IN TRAVEL DOCUMENT FEES (SEE ABOVE). FEES FOR EMIGRATION PASSPORT ARE CONSIDERED MODERATE (DOLS 74 FOR EMIGRANTS TO U.S.).

F. THERE ARE NO AREAS IN HUNGARY CLOSED TO U.S. CITIZENS, SUCH RESTRICTIONS HAVING BEEN TOTALLY REMOVED BY MUTUAL AGREEMENT THIS YEAR.

G. TRAVEL DOCUMENTS AND VISAS ARE ISSUED ON A PRIORITY BASIS TO OLD AND ILL PERSONS AND IN CASES OF SERIOUS ILLNESS OR DEATH.

H. EMIGRANTS TO U.S. ARE PERMITTED TO SHIP HOUSEHOLD AND PERSONAL EFFECTS UP TO LIMIT OF FT 20,000 IN VALUE FOR FAMILY HEAD AND FT 10,000 (DOLS 500) FOR EACH FAMILY MEMBER.

4. BINATIONAL MARRIAGES:

A. DURING MAY-OCTOBER 1975 PERIOD THERE WERE 22 MARRIAGES BETWEEN HUNGARIANS AND AMERICAN CITIZENS; AND FIVE BETWEEN HUNGARIANS AND U.S. "RESIDENT ALIENS." ADDITIONAL SIX "FIANCEE" VISAS WERE ISSUED.

B. AS PREVIOUSLY MENTIONED THERE IS FINANCIAL

DISCRIMINATION WITH REGARD TO DOCUMENTATION FOR TRAVEL TO NON-COMMUNIST COUNTRIES.

5. TRAVEL FOR PERSONAL AND PROFESSIONAL REASONS:

A. DURING MAY-OCTOBER 1975 PERIOD THE U.S. ISSUED 3,313 VISAS FOR "PERSONAL REASONS" AND 539 FOR PROFESSIONAL REASONS. NO "PROFESSIONAL" TRAVELLERS WERE REFUSED VISAS AND ONLY EIGHT "PERSONAL" VISITORS WERE. INTERESTINGLY ENOUGH, AUSTRIAN EMBASSY BUDAPEST EXPECTS ISSUE 150,000 VISAS (MANY OF THESE TRANSIT VISAS) TO HUNGARIANS IN 1975; FRG EMBASSY 35,000; CONFIDENTIAL

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ITALIAN EMBASSY 30,000; FRENCH EMBASSY 25,000.

B. THERE IS NO EVIDENCE OF A SHIFT TOWARDS MORE SIMPLIFIED AND FLEXIBLE PROCEDURES IN ADMINISTRATION OF EXIT AND ENTRY PROCEDURES. NORMALLY, EXIT DOCUMENTATION IS ISSUED WITHIN 30 DAYS OF APPLICATION. APPEAL MUST BE MADE BY APPLICANT WITHIN 15 DAYS FROM DATE OF REFUSAL AND MUST BE ACTED UPON BY HUNGARIAN AUTHORITIES WITHIN 30 DAYS OF APPEAL.

C. THERE ARE NO CURRENT RESTRICTIONS ON MOVEMENT OF AMERICANS WITHIN HUNGARY. LAST REMAINING RESTRICTIONS ON U.S. OFFICIALS REPEAT OFFICIALS WERE LIFTED IN SEPTEMBER 1975.

6. DISSEMINATION OF INFORMATION:

A. THERE HAS BEEN NO NOTICEABLE INCREASE IN VERY SMALL NUMBER OF COPIES AND TITLES OF NEWSPAPERS, MAGAZINES AND BOOKS IMPORTED FROM U.S. NO U.S. NEWSPAPERS ARE ON SALE IN THIS COUNTRY; BUT LIMITED NUMBER COPIES OF PARIS HERALD-TRIBUNE CAN BE PURCHASED ONLY REPEAT ONLY AT DE LUXE HOTELS PATRONIZED BY WESTERN VISITORS; TIME AND NEWSWEEK ALSO AVAILABLE FOR PURCHASE IN LIMITED NUMBERS AND IRREGULARLY AT SAME PLUSH HOTELS.

B. THERE HAS BEEN NO INCREASE IN NUMBER OF PLACES WHERE WESTERN PUBLICATIONS ARE AVAILABLE. ONE CANNOT PURCHASE WESTERN NEWSPAPERS OR MAGAZINES AT ANY AIRPORT, RAIL OR BUS STATION IN HUNGARY.

C. THERE ARE LIMITED POSSIBILITIES FOR HUNGARIANS TO

TAKE OUT SUBSCRIPTIONS TO WESTERN PUBLICATIONS. NORMALLY HUNGARIANS CAN SUBSCRIBE TO NON-POLITICAL JOURNALS (SPORTS ILLUSTRATED, LADIES HOME JOURNAL, SCIENTIFIC AMERICAN, ETC.) DIRECTLY BUT CAN ONLY GET NEWS MAGAZINES (SUCH AS TIME AND NEWSWEEK) THROUGH THEIR WORK PLACE AND

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THEN WITH OFFICIAL PERMISSION.

D. AMERICAN AND WESTERN FILMS ARE QUITE PREVALENT AND
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POPULAR IN HUNGARY. SOME ARE SELECTED BECAUSE THEY TEND TO SHOW WHAT COMMUNIST AUTHORITIES REGARD AS NEGATIVE ASPECTS OF U.S. SOCIETY. THIRTY-THREE AMERICAN FILMS SHOWN IN MOVIE THEATERS AND ON TV IN 1974, TO AN AUDIENCE OF OVER 16 MILLION PEOPLE. ABOUT 35-40 PER CENT OF ALL FILMS SHOWN ARE WESTERN AND PERHAPS HALF OF THAT NUMBER ARE OF U.S. ORIGIN.

E. HUNGARY DOES NOT JAM VOA, RFE OR ANY FOREIGN BROADCASTS OR TELECASTS DESPITE FACT THAT AUSTRIAN TV AND RADIO TRANSMITTERS HAVE LARGE, APPRECIATIVE AUDIENCES IN WESTERN HUNGARY.

F. PLACEMENT OF U.S. FILMS, TV MATERIAL AND RADIO ITEMS IS EXTREMELY LIMITED. ONE SCIENCE REPORT SERIES IS SHOWN ON NATIONAL TELEVISION; AND RADIO STATIONS USE SOME US-FURNISHED MUSIC. 212 US FILMS, ON LOAN, WERE SHOWN IN 1974.

7. WORKING CONDITIONS FOR U.S. JOURNALISTS:

A. NO AMERICAN JOURNALIST HAS BEEN DENIED VISA IN LAST SIX MONTHS. ONLY DENIALS IN LAST TWO YEARS WERE TO VOA JOURNALISTS OF HUNGARIAN ORIGIN.

B. THERE ARE NO PERMANENTLY ACCREDITED U.S. JOURNALISTS IN HUNGARY. AS FAR AS U.S. AWARE, NO AMERICAN JOURNALIST HAS EVER SOUGHT MULTIPLE-ENTRY/EXIT VISA.

C. THERE ARE NO RESTRICTIONS WHATEVER ON TRAVEL OF U.S. JOURNALISTS IN HUNGARY.

D. SMALL NUMBER OF AMERICAN JOURNALISTS COME TO HUNGARY BUT FEW WHO HAVE GONE THERE RECENTLY HAVE NOT:D NO CHANGE IN OPPORTUNITY TO COMMUNICATE PERSONALLY WITH SOURCES. ACCESS BY JOURNALISTS TO OFFICIAL SOURCES IS CONTROLLED BY HUNGARIAN AUTHORITIES.

E. NO AMERICAN JOURNALIST HAS ASKED FOR PERMISSION TO IMPORT TECHNICAL EQUIPMENT FOR MANY YEARS.

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F. AMERICAN JOURNALISTS CAN TRANSMIT UNHINDERED ABROAD, NEWS REPORTS, ETC. NO CREW HAS COME TO HUNGARY IN RECENT YEARS AND ONLY VOA HAS BROADCAST OUT.

G. NO AMERICAN JOURNALIST HAS BEEN EXPELLED FROM HUNGARY

IN RECENT YEARS. HOWEVER, IN 1974 A NY TIMES CORRESPONDENT WAS REFUSED A VISA. WHEN THE U.S. EMBASSY IN BUDAPEST INTERVENED DIRECTLY WITH FONMIN, HOWEVER, BAN WAS REMOVED AND VISA WAS ISSUED. CORRESPONDENT HAS SINCE VISITED HUNGARY AND EXPERIENCED NO DIFFICULTIES.

8. CULTURAL, SCIENTIFIC AND EDUCATIONAL EXCHANGES:

A. NUMBER OF OFFICIAL GRANT EXCHANGES WITH U.S. HAS INCREASED FROM ZERO PER ANNUM TO FIFTEEN PER ANNUM IN PAST TWO YEARS. THERE IS AS OF THIS DATE NO EVIDENCE THAT CSCE HAS AFFECTED GOH POLICY IN THIS REGARD.

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